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November 2, 2000
EXECUTIVE SECRETARY

Richard Collier, Esquire
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37245

Re: *Discount Communications, Inc.*
Docket No. 00-00230

Dear Mr. Collier:

This is in response to the Authority's request that the parties file a joint stipulation on the undisputed and disputed amounts. In accordance with your request, this letter will follow the format used in Discount's letter to BellSouth dated October 27, 2000.

1. BellSouth has confirmed receipt of a check for \$12,000 from Discount's escrow account. Therefore, that amount will be credited against the amounts owed by Discount to BellSouth.

2. Lifeline credit -- \$65,201.50. This amount, which was the subject of the Authority's denial of Discount's Petition for Reconsideration, is undisputed. By not disputing this amount, Discount does not waive any appeal rights it has with respect to this issue.

3. FCC Link-Up dispute -- \$5,481.50. The parties agree that this amount remains disputed and represents part of the Link-Up dispute issue submitted to the FCC staff.

4. Link-Up credits -- \$18,675. While BellSouth acknowledges that Discount is entitled to some Link-Up credits that it has not yet received, BellSouth believes that the actual amount to which Discount is entitled is less than \$18,675. In a good-faith effort to resolve this issue, however, BellSouth has agreed to credit the entire amount of \$18,675 against the other amounts owed to BellSouth.

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5. Multiple payments -- \$26,600. This amount remains disputed, and Union Planters Bank is presently researching the matter. Although it appears that both checks were cashed and that the money was deducted from Discount's bank account, none of the routing information on the copy of the canceled check that we have a copy of indicates that it was BellSouth that cashed the check or that the money was deposited into a BellSouth bank account.

6. LENS system -- \$19,985. While BellSouth acknowledges that Discount is entitled to some credits to its bill with regard to this dispute, BellSouth believes the actual amount to which Discount is entitled is less than \$19,985. This amount, therefore, remains in dispute, but BellSouth is continuing to investigate the allegations set forth in Discount's letter.

7. 911 dispute -- \$1,900. This amount remains in dispute.

8. Promotional charges -- \$4,100. While BellSouth acknowledges that Discount may be entitled to some credits to its bill with regard to this dispute, BellSouth believes the actual amount to which Discount is entitled is less than \$4,100. This amount, therefore, remains in dispute, but BellSouth is continuing to investigate the allegations set forth in Discount's letter.

9. Charges for third party calls -- \$1,831.35. This amount remains in dispute.

10. Charges for services that allegedly should have been disconnected -- \$10,000. This amount remains in dispute.

11. Other billing disputes, new issues (no estimate yet available). This amount remains in dispute.

12. The \$57,518.74 amount referenced in Discount's October 27 letter. During yesterday's meeting, Discount stated that it has offered to pay this amount to BellSouth as part of a settlement pending further investigation of the issues described above. BellSouth does not agree to this characterization and will let the letter, as well as Discount's comments during the October 31, 2000 hearing in this

Richard Collier, Esquire
November 2, 2000
Page 3

docket, speak for themselves. BellSouth believes a substantially higher sum is due and owing as of November 3, 2000.

We look forward to meeting with you tomorrow. Thank you again for meeting with us during yesterday and today's meetings, which we believe were conducted in good faith by the parties.

Very truly yours,

Henry Walker
Henry Walker by *Jem*
w/ permission
GMH/jem

Guy Hicks
Guy M. Hicks by *Jem*
w/ permission

cc: Henry Walker, Esquire